GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:5960
ANSWERED ON:31.08.2001
BENEFIT TO FLOUR MILLERS BY STATE GOVERNMENTS
PRABHUNATH SINGH

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether eight State Governments gave undue benefit of Rs. 372.56 crore to the flourmillers by not collecting the difference between the market price and PDS price of flour millers during 1992-99;

(b) if so, the reasons therefor;

(c) the details of the State Governments and flour millers to whom benefits were given;

(d) whether officials responsible for this have been identified and proceeded against;

(e) if so, the details thereof;

(f) whether there is any proposal to recover the difference amount from the millers;

(g) if so, the details thereof; and

(h) if not, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI CHAUHAN)

(a),(b),(c),(d),(e),(f)(g) & (h): The Comptroller & auditor General of India in its Report No. 3 of2000 (Civil) on the Public Distribution System (PDS) of this Department for the year ended 31.3.1999 pointed out that the State Governments of Assam, Karnataka, Kerala, Tamilnadu, Maharashtra, Meghalaya, Orissa and Delhi gave undue benefits to the extent ofRs. 372.56 crores to the millers due to non-compliance of orders issued by Government under the Custom Milling Scheme in September,1994.The States, which adopted the scheme, were to deposit the differential amount between the cost of wheat to be sold through PDS and the cost realizedby sale of maida, suji, atta and bran out of wheat allowed to be converted under the scheme. The government of Tamilnadu has since deposited a sum of Rs. 7.79 crores with the CentralGovernment Account and would remit the remaining amount of Rs. 19.70 crores after reconciliation of relevant accounts. Government of Karnataka has not accepted the observation of the C&AG on the plea that the retail prices of wheat products quoted by the Audit in their report are unrealistic and the claim raised against them is without any authenticity. Governments of Delhi and Meghalaya have stated that this scheme has not been implemented by them.Governments of kerala and Orissa have also not accepted any debit on this account to be paid to the Government. Government of Maharashtra has stated that the matter is receiving attention. Govt. of Assam is yet to respond. Details of millers stated to have been benefited has not been given in the report.

A complaint regarding alleged irregularities in allocation of 30,000 M.T.s of wheat per month through PDS, Assam was received through C.B.I., Guwahati, Assam.The matter is being investigated by them and further necessary action would be possible on receipt of their report. Barring this, no other complaint has been received from any other State.